

Message Text

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ACTION L-03

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FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 1942

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMCONSUL ZURICH

C O N F I D E N T I A L BRUSSELS 6794

BONN FOR CROWLEY

E.O. 11652: GDS

TAGS: PFOR, EFIN, BE, CZ

SUBJECT: GOLD TRANSFER TO CZECHS

REF: (A) BRUSSELS 6783; (B) PRAGUE 2148; (C) PRAGUE 2152

1. IN PARAGRAPH 4 OF REF A, WATSON RAISES POINT THAT SOME MECHANICAL PROBLEMS WILL ARISE FROM THE FACT THAT THE AMERICAN COMMISSIONER WILL NOT BE AUTHORIZED TO SIGN THE ADJUCATION UNTIL THE LAST MINUTE. IN SUBSEQUENT TELEPHONE CONVERSATION, WATSON AGREED THAT THE AMERICAN COMMISSIONER COULD SIGN THE ADJUCATION AFTER THE OTHER TWO COMMISSIONERS(BUT IN ADVANCE OF SITTING OUTLINED IN ANNEX A) AND THAT REPRODUCTION, STAPLING, COVERING, TAPING, BINDING, AND SEALING COULD THEREAFTER BE DONE IN THIS EMBASSY.ALL COPIES OF THE SIGNED ADJUCATION WOULD, THEREFORE, REMAIN IN AMERICAN PHYSICAL CUSTODY UNTIL THE APPROPRIATE POINT IN THE SCENARIO OUTLINED IN ANNEX A WHEN WE WOULD HAND THEM ACROSS THE TABLE TO THE SECRETARY-GENERAL. IS THIS ACCEPTABLE TO DEPARTMENT?
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2. DEPARTMENT'S GUIDANCE REQUESTED ON WATSON PROPOSAL
OUTLINED IN PARAGRAPH 6 OF REF A.

3. BANK NATIONALE MENTIONED IN PARAGRAPH 7 OF REF A
IS BANK NATIONALE DE BELGIQUE. REQUEST DEPARTMENTS REACTION TO
WATSON'S SUGGESTION THAT A COMMISSION ACCOUNT
AT SWISS BANKING CORPORATION MIGHT NOT BE IMMUNE FROM
ATTACHMENT OR INTEFERENCE BY SWISS AUTHORITIES.(INCLUDING SWISS
COURTS).

4. REQUEST DEPARTMENT'S APPROVAL FOR WATSON'S
SUGGESTION THAT HE NOW PROCEED TO CONTACT BANK OF
ENGLAND AND FEDERAL RESERVE BANK OF NEW YORK CONCERNING
ESTIMATED COSTS, TECHNICAL LANGUAGE, ETC., ETC. AS
OUTLINED IN PARAGRAPH 8 OF REF A.

5. PARAGRAPH 9 OF REF A, WHICH STATES THE AMOUNT
TRANSFERRED MAY BE SLIGHTLY UNDER 18,400 KILOGRAMS MAY
CONFLICT WITH CZECH DESIRE EXPRESSED IN PARAGRAPH 2,
REF B FOR DETAILED SPECIFICATION ON THE GOLD.

6. WATSON EXPLAINED THAT THE CZECH DICATS REFERRED TO
IN PARAGRAPH 10, REF A WOULD BE A PART OF THE 18,400
KILOGRAMS. (IT IS HIS RECOLLECTION THAT THE BANK OF
ENGLAND WAS ASKED 25 YEARS AGO TO RESERVE THESE FOR AN
EVENTUAL SETTLEMENT WITH CZECHSLOVAKIA.)

7. IN LIGHT OF WATSON'S SEVERAL QUESTIONS AND
LACK OF RESPONSE TO DATE FROM FRENCH OR BRITISH
COMMISSIONERS TO OUR LETTER OF AUGUST 22, WE DOUBT CZECH EXPERTS
WOULD BE ABLE TO HOLD MEANINGFUL DISCUSSIONS WITH EITHER TGC SEC-
RETARY -GENERAL OR SWISS BANK IN ZURICH DURING WEEK OF SEPTEMBER 9.
FURTHERMORE, WE DO NOT SEE HOW TGC CAN REPLY TO CZECH
LETTER OF JULY 27 UNTIL TGC HAS WORKED OUT PRACTICAL PROCEDURE
FOR TRANSFER OF THE GOLD WHICH IS AGREEABLE TO ALL THREE
COMMISSIONERS.FIRESTONE

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